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IDC-BANK PEMBANGUNAN

BANK PEMBANGUNAN DAN INFRASTRUKTUR TAKES OVER FROM IDC

KUALA LUMPUR, Oct 28 (Bernama) -- The Infrastructure Development Corporation (IDC), set up as a wholly-owned corporation of the Minister of Finance Inc would cease to exist following the conversion of Bank Pembangunan Bhd to Bank Pembangunan dan Infrastruktur Malaysia.

Second Finance Minister Datuk Mustapa Mohamed said: "The IDC would be taken over by Bank Pembangunan dan Infrastruktur Malaysia."

Meanwhile, the revolving credit of RM1 billion provided by Petronas for the IDC would be transferred to Bank Pembangunan dan Infrastruktur Malaysia.

The authority is working out the set up of Bank Pembangunan dan Infrastruktur, he told a press conference held on issues related to the income tax proposals in the 1999 Budget.

Last week, Mustapa said that the RM1 billion sourced from Petronas would be used to finance some infrastructure projects.

Prime Minister Datuk Seri Dr Mahathir Mohamad had said when tabling the Budget 1999 that with the conversion of Bank Pembangunan, the bank would be changed to an infrastructure bank and focus its attention on financing infrastructure projects.

Dr Mahathir also said that the bank, which would have a paid up capital of RM1 billion, would ensure continued financing of development projects.

Financially troubled Renong Bhd has proposed the issuance of Renong bonds which is backed by IDC as part of the group's proposed financial restructuring exercise.--BERNAMA

AD KTC